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Procurement of goods and services that are necessary to fulfill the Department's mission must be made in accordance with the provisions of state laws, regulations, and guidelines. The Department of Natural Resources supports decentralized procurement to meet these needs thus, allowing the Department to effectively accomplish its mission while promoting responsibility and accountability.

REFERENCES

Division of State Parks Concession Contract Bidding Procedures

Executive Order 03-27 (Dec. 9, 2003) – Missouri Preference
http://s1.sos.mo.gov/CMSImages/Library/Reference/Orders/2003/eo03_027.pdf

Executive Order 04-09 (March 17, 2004) – International outsourcing
http://s1.sos.mo.gov/CMSImages/Library/Reference/Orders/2004/eo04_009.pdf

Executive Order 05-30 (Sept 8, 2005) – Addresses goods & services purchased from MBEs and WBEs
http://s1.sos.mo.gov/CMSImages/Library/Reference/Orders/2005/eo05_030.pdf

Interagency Agreement for State Purchasing Card Program

Office of Administration, Division of Purchasing and Materials Management: Department Procurement Authority Delegation and Procedures
<http://oa.mo.gov/sites/default/files/deptpad.pdf>


Office of Administration, Division of Purchasing and Materials Management: 1 CSR 40-1.010 through 40-1.080. <http://www.sos.mo.gov/adrules/csr/current/1csr/1c40-1.pdf>

Powers of Political Subdivisions to Cooperate or Contract with Governmental Units: section 70.210.3, RSMo <http://www.moga.mo.gov/statutes/C000-099/0700000210.HTM>

State Buildings and Land: Architectural & Engineering Delegation, Capital Improvements section 8.255, RSMo <http://www.moga.mo.gov/statutes/C000-099/0080000255.HTM>

State Purchasing and Printing: State Purchasing and Printing sections 34.010 - 34.359, RSMo
<http://www.moga.mo.gov/mostatutes/ChaptersIndex/chaptIndex034.html>

Wages, Hours and Dismissal Rights: Prevailing Wage Laws sections 290.210-325, RSMo
<http://www.moga.mo.gov/mostatutes/stathtml/29000002101.HTML>

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Related DNR policies

Conduct and Ethics 1.01
 Fleet Fuel Card Procedures 6.01-04
 Purchasing Card Policy 7.12
 Purchasing Card Procedures 7.12-01
 State Property Accountability 7.04
 Payments 7.07

Related DNR resources

DNR Chart of Accounts and Budget Control SAM II Training Manual
 DNR Fixed Assets SAM II Training Manual
 DNR Purchasing SAM II Training Manual
 DNR State Purchasing Card Process Manual

DEFINITIONS


Contract: An agreement between a state agency and a contractor formally in writing and enforceable by law to procure supplies that directly benefit the agency (includes Purchase Orders, Memorandum of Understanding (MOU), and Memorandum of Agreement (MOA)).

Department Procurement Officer: Procurement Officer in the Division of Administrative Support, General Services Program.

Emergency procurement: A situation in which there exists a threat to life, property, public health or public safety or when immediate expenditure is necessary for repairs to state property in order to protect against further loss of, or damage to, state property, to prevent or minimize serious disruption in state services or to ensure the integrity of state records.

Exempt object codes: Expenditure object codes that identify supplies that are not competitively procured and therefore are exempt from the formal competitive bid process. Purchases such as membership fees and dues, conference and registration fees, legal fees, settlement payments, utility payments, refunds, loans and grants fall under this exemption. Exempt object code listing can be found at <http://mocoa.state.mo.us/OBJT/Pages/default.aspx>.

Expenditure Registration System (ERS): System established to recognize those situations in which the requirements of chapter 34, RSMo, for competitive bidding are negated by another state statute, federal regulation or court order. The goods or services being purchased would

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normally be subject to bid, but the nature of the program precludes the use of competitive procurement methods.

Local purchase authority: Procurement authority for purchases valued at less than \$25,000 delegated by means of a signed agreement between the Department Director and the Commissioner of the Office of Administration.

Organization: A division, program, district office, regional office, state park or historic site within the Department of Natural Resources (DNR).

Political subdivision: Any agency or unit of the State of Missouri authorized to levy taxes (section 70.120.3, RSMo).

Purchase order: A document established by a DNR organization and sent to a seller to authorize the sale and delivery of supplies to the Department.

Purchase requisition: A document established by an organization in the State's accounting system (NR or RXQ) and sent to the Office of Administration/Division of Purchasing and Materials Management through the Department Procurement Officer to request and authorize a procurement action. It represents the intent to incur an obligation.


Recycled products: Items made with materials recovered from solid waste.

Single feasible source: When supplies are proprietary and only available from the manufacturer or a single distributor; or it is determined that only one distributor services the region in which the supplies are needed based on past procurement experience; or supplies are available at a discount from a single distributor for a limited period of time (section 34.044, RSMo).

Supplies: Materials, equipment, contractual services, and any and all articles or things, except for utility services regulated under chapter 393, RSMo.

GENERAL PROVISIONS

Authority to make purchases is granted to the Department by the Commissioner of Administration under sections 34.010 – 34.359, RSMo. See <http://oa.mo.gov/sites/default/files/deptpad.pdf> for the Department Procurement Authority Delegation and Procedures. This authority is delegated to Division Directors or their designees unless further indicated in this policy.

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The Department is delegated the authority without competitive bidding when:

- Purchases with an aggregate value of \$3,000 or less;
- Procurements use an exempt object code;
- Procurements are made under an Expenditure Registration System (ERS) authority;
- Single feasible source (SFS) procurements;
- Emergency procurements;
- Procurements utilizing another governmental entity
- Procurements utilizing an Office of Administration, Division of Purchasing and Materials Management (OA/DPMM) contract.


Although some of the situations above do not require competitive bidding, the Department must always ensure they are being frugal with State funds and getting the best price possible for what is being purchased. Although, some of the situations above do not require competitive bidding, there are other processes that must be followed involving the OA/DPMM.

The Department is delegated the authority to do the following through competitive bidding:

- A single purchase order with a total value of less than \$25,000;
- A contract/price agreement with a total value of less than \$25,000 for an initial period not to exceed 12 months. Renewal options may not exceed \$24,999.99 or 12 months;
- The Department or organizations within the Department may enter into rental agreements for supplies less than \$25,000 if the rental period does not exceed 12 months. NOTE: Renewal options may also be in rental agreements so long as the options do not individually exceed 12 months each. No ownership or buy-out options can be made.

The Department must:


- Follow the Delegation of Authority issued by the OA/DPMM.
- Comply with state statutes, 1 CSR 40-1.010 through 1 CSR 40-1.090, OA statewide policies and Department and Divisional policies.
- Purchase all supplies available on a statewide mandatory contract from such contract and give preference to those on convenience contracts.
- Commence contracts after the date approved. No authorization of expenditures is allowed prior to the approval of the award.
- Commence MOU/MOAs and concessionaire contracts after the date signed by the Department Director.

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- Give full consideration to the purchase of products made from recycled materials. A preference for such products will be given if their use is technically feasible, and, where a bid is required, their price is equal to, or less than, the price of items manufactured or produced from virgin materials.
- Strive to meet the Minority Business Enterprise and Women Business Enterprise (MBE/WBE) participation goals established in Executive Order 05-30. Organizations receiving federal EPA grant funding must meet the MBE/WBE reporting requirements of the federal award.
- Meet the applicable requirements and provisions of the Americans with Disabilities Act (ADA). <http://www.usdoj.gov/crt/ada/adahom1.htm>
- Attach to the solicitation document a copy (found on the DAS web site) of the Department of Labor and Industrial Relations Annual Wage Order to all bids for construction, maintenance, and repair as required by sections 290.210-325, RSMo Prevailing Wage Laws.
- Purchase all like or similar items contained in Missouri Vocational Enterprises (MVE) catalog from MVE if MVE can provide it or obtain a waiver.
- Give preference to Missouri products and firms, American products and firms, Missouri service-disabled veteran businesses, organizations for the blind and sheltered workshops, and recycled materials.
- Require certification from vendors of the location where the contracted services are to be performed, and whether the vendor contemplates any of the work necessary to provide the contracted services being performed offshore, as established in Executive Order 04-09.
- Submit all computer related purchases including hardware, software, services, consulting, and maintenance [e.g. multi-functional copiers and printers] to Office of Administration's Information Technology Services Division (ITSD) for review and approval. The existence of a current contract does not negate the requirement to obtain the necessary ITSD review and approval of a purchase.

The Department must work with the Office of Administration to make:

- purchases for vehicles,
- single feasible source purchases exceeding \$5,000,
- purchases with a one-time value or an aggregate value totaling \$25,000 or more or as provided in this policy,
- purchases utilizing lease/purchasing financing or lease with purchase option,
- purchases where the price or specifications are negotiated after bids are received,
- multi-year rental agreements,
- contracts with other governmental entities that are valued at \$25,000 or more,
- contracts which fall under the authority of chapter 8, RSMo (example: architectural and engineering services),

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- purchases for services from offshore vendors.

Vehicle purchases are centralized and made by the Department Fleet Manager in the Division of Administrative Support after approval from MDNR management and the Office of Administration, Fleet Manager.

All other exempted procurements are processed by first routing a purchase requisition to the Department Procurement Officer and then to the OA/DPMM.

Offshore Vendors:


Services shall not be purchased from an offshore vendor (or a subcontracted vendor) unless one of the following conditions is met regardless of dollar value (this does not apply to commodities valued at less than \$25,000):

1. The vendor or its subcontractor provides a unique good or service that is deemed to be mandatory for the organization and no comparable domestically-provided product can adequately duplicate the unique features; or
2. The vendor or its subcontractor is a foreign firm hired to market Missouri services or products to a foreign country; or
3. A significant and substantial economic cost factor exists that outweighs the economic impact of providing the function or professional services within the United States, so much that a failure to use the vendor or subcontractor's services would result in an economic hardship for the Department; or
4. The vendor or its subcontractor maintains a significant business presence in the United States and only performs a trivial portion of the work under the contract outside of the United States.

If a purchase is made contrary to this policy the individual authorizing the unlawful purchase(s) may be liable for any incurred cost.

Exempt Object Codes:

Certain expenditure object codes as listed and defined in the SAM II Chart of Accounts Manual are exempt from the requirements of bidding. Refer to the on-line [SAM II Financial Policy and Procedures/Chart of Accounts, Object](#) for complete listing of exempt object codes.

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Expenditure registration system:

When the nature of the program precludes the use of competitive procurement methods, an Expenditure Registration System (ERS) must be requested through the Department Procurement Officer to the OA/DPMM. Statutorily required reimbursements and land purchases are examples of this type of expenditure. The Department currently has five ERS's:

ERS 040 – Weatherization Assistance Program

ERS 049 - SALT Projects

ERS 143 - State Park Land Acquisition

ERS 207 - Drinking Water Operator Training Reimbursements

ERS 213 – Brownsfield/Voluntary Cleanup Program

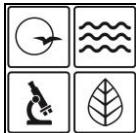
Special delegation of authority:

An organization may request special delegation of authority (SDA) that will allow the organization to competitively bid and award contracts for goods or services in excess of \$24,999.99 per year. Although the SDA will allow the organization to do the procurement, it does not allow for the use of competitive negotiations. The request for special delegation of authority is made from the Division to the Department Procurement Officer, to the Department Director or designee. Upon approval, the request will be forwarded to the OA/DPMM for final approval. The SDA is subject to annual renewals. The Department currently has two SDAs: SDA 303 - Fuel Delegation and SDA 351 - Concession Operations Services.

Preferences:

Missouri products and firms - pursuant to sections 34.070 and 34.073, RSMo, preferences, must be given to all commodities and tangible personal property manufactured, mined, produced, processed or grown within the state of Missouri, to all new generation processing entities defined in section 34.432, RSMo, except new generation processing entities that own or operate a renewable fuel production facility or that produce renewable fuel, and to all firms, corporation or individuals doing business as Missouri firms, corporations or individuals, when quality is equal or better and delivered price is the same or less or whenever competing bids, in their entirety, are comparable.

Environmentally preferable procurement - To the fullest extent practicable, all organizations shall use and require their contractors and consultants to use products manufactured with the maximum practicable amount of recovered materials and other environmentally preferable products whenever cost effective.



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Each organization shall:


- Survey existing service and product specifications to determine whether existing requirements require the use of products manufactured from virgin materials or in any manner exclude recycled, refined, remanufactured, reusable or renewable products or materials and to report the results of such survey to the organization.
- Evaluate each recycled or environmentally preferable product to determine the extent to which the product may be practicably used by the organization or contractors.
- Purchase recycled products with the maximum amount of recycled materials practicable.
- Ensure that contracts issued require recycled and environmentally preferable products whenever practicable.
- Ensure that all printing uses recycled paper.
- Ensure that requests for bids require that whenever practicable, contractors use recycled paper and use both sides of paper sheets.
- When cost of virgin and recycled are equal, bids must be awarded to the recycled provider.

Environmentally preferable products include (but are not limited to):

- Paper and paper products
- Compost products
- Horticultural mulch made with recycled land clearing and other wood debris
- Construction aggregates made with recycled content concrete, glass or asphalt
- Cement and asphalt concrete containing glass cullet, recycled fiber or plastic, tire rubber, or fly ash
- Lubricating oil and hydraulic oil with re-refined oil content
- Antifreeze
- Recycled plastic products
- Remanufactured tires and products made from recycled tire rubber, including rubber mats and playfield surfaces
- Insulation products
- Paint
- Remanufactured laser printer toner cartridges
- Alternative fuels and automotive products

Missouri Service-Disabled Veteran Business (section 34.074, RSMo) – A three-point preference shall be given to service-disabled veteran business doing business as Missouri firms, corporations or individuals, or which maintain Missouri offices or places of business.

Organizations for the Blind and Sheltered Workshops (section 34.165, RSMo) – A ten-point bidding preference shall be given for supplies manufactured, produced or assembled by qualified

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nonprofit organizations for the blind or sheltered workshops holding a certificate of approval from the Department of Elementary and Secondary Education.

Statutory authority under section 253.080, RSMo, Division of State Parks:

The director of the Department of Natural Resources has authority to competitively bid and award concession contracts on behalf of the Division of State Parks. All contracts under this section will be developed and executed using the Division of State Parks Concession Contract Bidding Procedures and require approval by the Department Director.

Delegated authority under section 8.255, RSMo:


The following have been granted the authority by the Office of Administration/Division of Facilities Management and Design and Construction (OA/FMDC), to enter into contracts for construction, renovation, maintenance and repair projects in amounts of not more than \$25,000 as outlined in letters from OA/FMDC.

Division of Geological Land Survey
Division of State Parks
Division of Environmental Quality/Land Reclamation Program

In addition, the Division of State Parks has been granted the authority by the OA/FMDC, to enter into contracts for construction, renovation, maintenance and repair projects in amounts of \$25,000 to not more than \$100,000 as outlined in their Memorandum of Understanding. This Memorandum of Understanding does not give the Division of State Parks full authority to procure these types of transactions. It must be done in conjunction with OA/FMDC. Procurements under this authority must be completed according to the Memorandum of Understanding.

Contracting with a governmental entity or political subdivision:

An organization within the Department may contract with other state agencies, political subdivisions or governmental entities without conducting a competitive bid process for contracts less than \$25,000 for supplies or services directly provided by that entity. An organization may contract with these types of entities for supplies or services directly provided by that entity for items \$25,000 or greater after requesting an Acknowledgement of Contract (AOC) from OA/DPMM. An organization may contract with another chapter 34, RSMo agency for any amount for supplies or services directly provided by that entity. An organization must not contract with a political subdivision or other governmental entity to circumvent state purchasing procedures.

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Cooperative procurements:

The organization may purchase supplies or services greater than \$3,000 from an existing contract established by another governmental entity provided it is approved by OA/DPMM.

Architect and engineering contracts:

DNR follows OA/FMDC's practices as well as sections 8.285 - 8.291, RSMo to negotiate contracts under \$25,000 with architectural or engineering firms based on specific qualifications. All such contracts will be awarded to firms listed on the OA/FMDC's schedule of approved contractors.

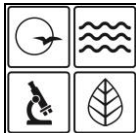
Missouri's purchasing card:

Missouri's purchasing card is designed to reduce the number of purchase orders and checks issued and provides for a more efficient, cost-effective method of purchasing and paying for small dollar transactions within set limits. The state purchasing card is intended to be used for all purchases less than \$1,000 unless listed on the unallowable transactions list. Refer to the Department Purchasing Card Policy and Purchasing Card Procedures for specific guidance. The DAS General Services Program administers the purchasing card program in DNR.

The state purchasing card will not be used:

- to avoid or bypass Department procurement or payment policies and procedures;
- for entertainment purchases;
- to replace the current Visa Individual Business Travel Card;
- to purchase items listed on the Unallowable/Excluded Purchases list;
- for purchases with other state agencies;
- for personal use; and
- if unallowable for specific grants (example American Recovery and Reinvestment Act related grants).

Each cardholder will have access to the Purchasing Card Policy and Purchasing Card Procedure. Each cardholder is required to sign a cardholder agreement. All cardholders who have been issued purchasing cards require organization level review and approval on purchases and are subject to random audits on selected transactions. New cardholder accounts will require Department level review for the first six cycles of usage.



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Missouri's State Fleet Fuel Card:

Fuel for Department vehicles and equipment is obtained either through bulk purchases or using a fleet fuel card. Acquisition of bulk fuel is done following policy and procedures found in this document.

The statewide fleet fuel card program provides the department with a universal fleet fuel card that allows state drivers to purchase fuel for state vehicles and in certain circumstances maintenance and repair. Refer to the Fleet Fuel Card Procedures for specific guidance.

Compliance review and audits:

The OA/DPMM will conduct reviews to ensure compliance with the Department's delegation and applicable state rules and laws. The Department's Internal Audit and Accounting Program may also conduct compliance reviews. The organization reviewed will be provided a summary of the review with items noted that need remedy. These items must be addressed or the organization may lose all or part of its delegated procurement authority.

Division of Administrative Support's General Services Program's responsibilities:

The DAS General Services Program will provide training on an as needed basis. This includes training for new employees responsible for procurement, refresher courses to ensure efficient, effective and lawful procurement and training on new developments in laws and policy, procedures and systems. Technical assistance, such as securing potential bidder's names or specifications, is also available.